

State:	District of Columbia	Filing Company:	Westport Insurance Corporation
TOI/Sub-TOI:	H12 Health - Excess/Stop Loss/H12.004 Self-Funded Health Plan		
Product Name:	Employer Excess Stop Loss		
Project Name/Number:	Rule Revision for Employer Excess Stop Loss /13-08414		

Rate Information

Rate data applies to filing.

Filing Method:	File and Use
Rate Change Type:	Decrease
Overall Percentage of Last Rate Revision:	0.000%
Effective Date of Last Rate Revision:	04/01/2013
Filing Method of Last Filing:	File and Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Westport Insurance Corporation	3.100%	-17.400%	\$0	0	\$0	0.000%	0.000%

State: District of Columbia

Filing Company:

Westport Insurance Corporation

TOI/Sub-TOI: H12 Health - Excess/Stop Loss/H12.004 Self-Funded Health Plan

Product Name: Employer Excess Stop Loss

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Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Additional Rules Rule 1- Experience Refund	SP 5 117 0911	Revised	Previous State Filing Number: ERCB-128089622 Percent Rate Change Request:	WIC-ESL-CW-E1 07-01-2013.pdf,
2		Additional Rules Rule 2 - Adjustment for Other Maximum Benefits	SP 5 117 0911	New		WIC-ESL-CW-E2 07-01-2013.pdf,
3		Additional Rules Rule 3- Credibility and Experience Rating	SP 5 117 0911	Revised	Previous State Filing Number: ERCB-127196224 Percent Rate Change Request:	WIC-ESL-CW-E3 07-01-2013.pdf,
4		Additional Rules Rule 4- Industry Classifications	SP 5 117 0911	Revised	Previous State Filing Number: ERCB-128726120 Percent Rate Change Request:	WIC-ESL-CW-E4 07-01-2013.pdf,
5		Additional Rules Rule 5- Aggregating Specific Deductible Split Fund Option	SP 5 117 0911	Revised	Previous State Filing Number: ERCB-128089622 Percent Rate Change Request:	WIC-ESL-CW-E5 07-01-2013.pdf,
6		Additional Rules Rule 2 - Adjustment for Other Maximum Benefits	SP 5 117 0911	Other	Previous State Filing Number: ERCB-128089622 Rate Action Other Explanation: Withdraw	
7		DC Westport Specific Stop Loss Rate Tables	SP 5 117 0911	New		DC-WIC-ESL-CW-Rates 07-01-2013.pdf,

ADDITIONAL RULES

RULE 1 –EXPERIENCE REFUND

For employers with a premium of \$500,000 or more, an experience refund option may be offered. The terms and calculation of the refund will be spelled out in the Experience Refund document, SP 5 459, that will be mutually agreed upon and signed by both the insured and the insurance company.

ADDITIONAL RULES**RULE 2 – HOSPITAL DOMESTIC REIMBURSEMENT ADJUSTMENT FACTOR**

This rule replaces the Hospital Domestic Reimbursement Adjustment Factor section of the Specific Stop Loss Manual.

For self-funded groups, reimbursement on domestic utilization (i.e. a hospital employee or dependent who utilizes the hospital for medical care) is usually reduced. The table below varies by the domestic reimbursement percentage and domestic utilization.

Hospital Domestic Reimbursement Adjustment Factors						
Stop Loss Reimbursement % on Domestic Claims	Domestic Hospital Utilization % for Stop Loss Claims					
	0%	20%	40%	60%	80%	100%
0%	1.000	0.800	0.600	0.400	0.200	0.050
10%	1.000	0.820	0.640	0.460	0.280	0.100
20%	1.000	0.840	0.680	0.520	0.360	0.200
30%	1.000	0.860	0.720	0.580	0.440	0.300
40%	1.000	0.880	0.760	0.640	0.520	0.400
50%	1.000	0.900	0.800	0.700	0.600	0.500
60%	1.000	0.920	0.840	0.760	0.680	0.600
70%	1.000	0.940	0.880	0.820	0.760	0.700
80%	1.000	0.960	0.920	0.880	0.840	0.800
90%	1.000	0.980	0.960	0.940	0.920	0.900
100%	1.000	1.000	1.000	1.000	1.000	1.000

ADDITIONAL RULE**RULE 3– CREDIBILITY AND EXPERIENCE RATING**

This rule replaces the Credibility and Experience Rating section appearing in our current approved Specific Stop Loss Manual.

Step 1: Experience Rated Expected Claims (PEPM)

This adjustment comes from a historical analysis of actual claim costs experienced by the employer. The process can be generalized as follows:

For each experience period (typically 3-4 most recent years are used):

1. Determine number of employee-months: average number of employees x number of months in the experience period
2. Collect first dollar claim costs for all claimants at or above 50% of the proposed deductible.
3. Trend the claim costs using an appropriate first dollar trend rate from the midpoint of the experience period to the midpoint of the proposed policy period and cap each trended claim by \$2 million.
4. Subtract the deductible being quoted from each of the trended claim costs in (3).
5. Sum the excess values from (4).
6. Divide the total from (5) by the employee-months from (1).
7. The results for each year are then blended together based on underwriter-assigned weights, which must total 100%.
8. A pooling charge equal to the manual rate for the case at a \$2 million deductible is added to (7).

If only frequency of large claim costs, but not severity, is available then, for the latest 2 experience periods:

1. Collect the number of claims over a given threshold for each experience period (typically 50% of deductible).
2. Using probability distribution underlying base rates and trend, determine expected number of claims for experience and proposed policy periods.
3. Compare this to the expected number of claims based on exposure characteristics (manual rating).
4. Experience PEPM = (2) / (3) times Manual PEPM Rate.
5. The overall modification to the manual rate using this method after application of credibility is limited to +/- 15%.

Further adjustment is made if the historical plan of benefits or reporting basis is substantially different than what is being proposed.

Step 2: Obtain the manual rate from the Tillinghast Stop Loss Manual**Step 3: Credibility to Experience**

The credibility to experience is based on the following Specific Credibility Table, using group size and deductible as reference points.

Step 4: Blended Expected Claims (PEPM)

The following formula yields the result for Step 4:

$$\text{Step 2} \times [1 - \text{Step 3}] + \text{Step 1} \times \text{Step 3}$$

ADDITIONAL RULE

RULE 3- CREDIBILITY AND EXPERIENCE RATING (Continued)

Specific Credibility Table**Employee Years**

Deductible	50	75	100	150	200	300	500	750	1,000	1,500	2,000
5,000	16	20	23	28	33	40	52	64	74	85	88
10,000	16	20	23	28	33	40	52	64	74	85	88
15,000	15	18	21	25	29	36	47	57	66	77	82
20,000	14	17	19	24	28	34	44	53	61	71	76
25,000	13	16	18	22	26	32	41	50	57	65	71
30,000	12	15	17	21	25	29	36	44	51	59	65
40,000	11	14	16	19	22	25	30	36	42	51	57
50,000	10	13	15	18	21	24	27	32	37	46	53
60,000	10	12	14	17	20	23	26	30	34	43	49
75,000	9	11	12	15	18	22	24	26	30	39	45
100,000	8	9	11	13	15	19	24	24	25	32	39
125,000	7	8	10	12	14	17	22	24	24	28	34
150,000	6	8	9	11	13	15	20	24	24	25	30
200,000	5	7	8	9	11	13	17	21	24	24	25
250,000	5	6	7	8	10	12	15	19	22	24	24
300,000	4	5	6	8	9	11	14	17	20	24	24
400,000	4	4	5	6	7	9	11	14	16	20	23
500,000	3	4	4	5	6	7	9	12	13	16	19
600,000	3	3	3	4	5	6	7	9	10	12	15
700,000	2	2	2	3	3	4	5	6	7	8	10
800,000	2	2	2	2	3	3	4	5	5	6	8
900,000	0	0	0	0	0	0	0	0	0	0	0
1,000,000	0	0	0	0	0	0	0	0	0	0	0

Employee Years

Deductible	3,000	5,000	7,500	10,000	15,000	20,000	25,000	30,000	40,000	50,000	75,000
5,000	100	100	100	100	100	100	100	100	100	100	100
10,000	100	100	100	100	100	100	100	100	100	100	100
15,000	99	100	100	100	100	100	100	100	100	100	100
20,000	92	100	100	100	100	100	100	100	100	100	100
25,000	86	100	100	100	100	100	100	100	100	100	100
30,000	80	100	100	100	100	100	100	100	100	100	100
40,000	71	96	100	100	100	100	100	100	100	100	100
50,000	65	89	100	100	100	100	100	100	100	100	100
60,000	60	82	100	100	100	100	100	100	100	100	100
75,000	54	73	93	100	100	100	100	100	100	100	100
100,000	48	61	78	92	100	100	100	100	100	100	100
125,000	43	54	68	81	100	100	100	100	100	100	100
150,000	39	51	62	74	94	100	100	100	100	100	100
200,000	33	44	53	62	79	94	100	100	100	100	100
250,000	28	39	48	54	69	82	93	100	100	100	100
300,000	24	35	44	50	62	73	84	94	100	100	100
400,000	24	26	35	41	50	57	65	73	86	89	89
500,000	23	24	27	33	42	48	53	58	69	71	72
600,000	18	18	22	27	34	39	43	47	55	57	59
700,000	12	12	17	20	25	29	32	35	41	43	45
800,000	9	9	14	17	21	24	26	29	34	35	38
900,000	0	0	6	7	8	9	11	12	13	15	18
1,000,000	0	0	5	6	7	8	9	10	12	13	16

ADDITIONAL RULE

RULE 3- CREDIBILITY AND EXPERIENCE RATING (Continued)

Specific Credibility Table**Employee Years**

Deductible	100,000	125,000	150,000	200,000	300,000	400,000	500,000	750,000
5,000	100	100	100	100	100	100	100	100
10,000	100	100	100	100	100	100	100	100
15,000	100	100	100	100	100	100	100	100
20,000	100	100	100	100	100	100	100	100
25,000	100	100	100	100	100	100	100	100
30,000	100	100	100	100	100	100	100	100
40,000	100	100	100	100	100	100	100	100
50,000	100	100	100	100	100	100	100	100
60,000	100	100	100	100	100	100	100	100
75,000	100	100	100	100	100	100	100	100
100,000	100	100	100	100	100	100	100	100
125,000	100	100	100	100	100	100	100	100
150,000	100	100	100	100	100	100	100	100
200,000	100	100	100	100	100	100	100	100
250,000	100	100	100	100	100	100	100	100
300,000	100	100	100	100	100	100	100	100
400,000	89	90	90	91	92	94	100	100
500,000	73	74	75	77	80	84	99	100
600,000	60	62	63	66	70	74	86	90
700,000	47	49	51	54	59	63	73	79
800,000	39	42	43	46	51	56	64	70
900,000	21	24	26	30	37	42	47	58
1,000,000	18	21	23	26	32	37	41	50

Employee Years

Deductible	1,000,000	1,250,000	1,500,000	2,000,000
5,000	100	100	100	100
10,000	100	100	100	100
15,000	100	100	100	100
20,000	100	100	100	100
25,000	100	100	100	100
30,000	100	100	100	100
40,000	100	100	100	100
50,000	100	100	100	100
60,000	100	100	100	100
75,000	100	100	100	100
100,000	100	100	100	100
125,000	100	100	100	100
150,000	100	100	100	100
200,000	100	100	100	100
250,000	100	100	100	100
300,000	100	100	100	100
400,000	100	100	100	100
500,000	100	100	100	100
600,000	92	94	96	99
700,000	84	88	91	98
800,000	75	80	84	91
900,000	67	75	82	95
1,000,000	58	65	71	82

ADDITIONAL RULES

RULE 4 – INDUSTRY CLASSIFICATIONS

This rule replaces the Industry Classifications section appearing in our current approved Towers Watson Specific Stop Loss Manual.

INDUSTRY CLASSIFICATIONS**Industry Factors by SIC Range**

SIC Range	Description	Stop Loss Factor
No adjustment		1.000
0111-0191	Agriculture – Crops, Plants, Vines & Trees	1.000
0211-0291	Agriculture – Livestock	1.050
0711-0724 0750-0783	Agriculture – Services	1.065
0740- 0742	Agriculture – Services (Veterinary)	1.000
0811-0851	Agriculture – Forestry	1.050
0910-0972	Agriculture – Fishing & Hunting	1.100
1011-1241	Mining – Metals & Coal	1.175
1311-1389	Mining – Petroleum	1.100
1411-1499	Mining & Quarrying except Metals & Fuel	1.150
1520-1629	Construction – General	1.085
1710-1799	Construction – Special Trades	1.045
2010-2017	Manufacturing – Meat Processing	1.050
2018-2099	Manufacturing – Food & Beverages	1.000
2111-2141	Manufacturing – Tobacco	1.050
2211-2299	Manufacturing – Textiles	1.000
2311-2399	Manufacturing – Apparel	1.000
2411	Manufacturing – Logging	1.075

SIC Range	Description	Stop Loss Factor
2421-2429	Manufacturing – Sawmills	1.050
2431-2499	Manufacturing – Wood	1.050
2511-2599	Manufacturing – Furniture	1.000
2611	Manufacturing – Pulp	1.025
2612-2679	Manufacturing – Paper	1.000
2711-2796	Manufacturing – Printing & Publishing	0.960
2812-2824 2841-2891 2893-2899	Manufacturing – Chemicals	1.075
2830-2836	Manufacturing – Pharmaceuticals	1.000
2892	Manufacturing – Explosives	1.125
2910-2999	Manufacturing – Petroleum & Coal products	1.025
3011-3089	Manufacturing – Rubber & Plastics	0.965
3111	Manufacturing – Leather Tanning	1.100
3112-3199	Manufacturing – Leather	1.025
3211-3291 3295-3299	Manufacturing – Stone, Clay & Glass	1.025
3292	Manufacturing – Asbestos	1.175
3312-3399	Manufacturing – Metals & Steel	1.085
3411-3499	Manufacturing – Fabricated Metal Products	1.015
3511-3599	Manufacturing – Machinery	1.040
3612-3699	Manufacturing – Electrical & Equipment	0.975
3710-3799	Manufacturing – Transportation	1.000
3812-3873	Manufacturing – Instruments	0.995
3911-3999	Manufacturing – Miscellaneous	0.990
4010-4013	Transportation – Rail	1.050
4110-4119 4131-4173	Transportation – Commuter	1.100

SIC Range	Description	Stop Loss Factor
4120-4121	Transportation – Taxi	1.150
4210-4215 4231	Transportation – Trucking	1.080
4220-4226	Transportation – Warehousing & Storage	1.150
4310-4311	Transportation – Government Postal	1.050
4412-4499	Transportation – Water	1.075
4510-4581	Transportation – Air	1.000
4612-4619	Transportation – Pipelines	1.025
4724-4789	Transportation – Services	0.975
4812-4899	Communication Services	0.950
4910-4941 4961-4971	Electric, Gas & Water	1.055
4950-4959	Sanitary Services	1.100
5012-5092 5094-5099	Trade – Wholesale (Durable Goods)	1.025
5093	Trade - Wholesale (Scrap & Waste)	1.060
5111-5172 5190-5199	Trade - Wholesale (Non-Durable Goods)	1.035
5181-5182	Trade - Wholesale (Alcohol)	1.050
5211-5399 5611-5736 5912 5932-5999	Trade – Retail	1.015
5410-5499	Trade - Retail (Food)	0.990
5511-5531 5561-5599	Trade - Retail (Automotive)	1.045
5540-5541	Trade - Retail (Gasoline)	1.100
5810-5812	Trade - Retail (Restaurants)	1.150
5813	Trade - Retail (Restaurants/Alcohol)	1.150
5921	Trade - Retail (Liquor Stores)	1.100

SIC Range	Description	Stop Loss Factor
6011-6163	Finance - Banks & Credit	0.935
6210-6289 6712-6799	Finance – Investors	1.025
6311-6411	Finance – Insurance	1.000
6512-6553	Finance - Real Estate	0.975
7010-7041	Lodging	1.030
7211-7299	Services – Personal	1.050
7311-7340 7352-7363 7380 7382-7389 7622-7699	Services – Business	1.020
7342-7349	Services – Cleaning	1.050
7371-7379	Services – Computer	0.950
7381	Services - Security	1.075
7513-7519	Services - Automotive (Rental)	1.025
7521-7549	Services – Automotive	1.050
7812-7841	Services - Motion Picture	1.025
7911-7990 7992-7999	Services - Amusement & Recreation	1.100
7991	Services – Physical Fitness Facility	1.075
8010-8049 8071-8072 8090-8099	Services – Health	1.075
8050-8059	Services - Nursing Homes	1.075
8060-8069	Services – Hospitals	1.125
8080-8082	Services - In Home Nursing	1.125
8110-8111	Services – Legal	1.075
8210-8211 8231-8299	Services – Education	1.015

SIC Range	Description	Stop Loss Factor
8220-8222	Services – Education (Colleges & Universities)	0.980
8322-8399	Services – Social	1.040
8412-8422	Museum, Gardens & Zoos	1.000
8610-8651 8690-8699	Organizations – Membership	1.005
8660-8661	Organizations – Religious	1.000
8710-8748	Services - Business Consulting	0.955
8811-8999	Services – Miscellaneous	1.050
9111-9199	General Government	1.105
9200-9229	Public Administration	1.150
9300-9721	Other Government	1.100

Rating factors by Industry Classification are used to adjust specific rates only when the retention is less than \$100,000. For retentions greater than or equal to \$100,000, all industries will receive a rating factor of 1.000.

Rating factors by Industry Classification will not be applied in the calculation of the pooling charge. The pooling charge is specified in Additional Rule 3, Step 1, Item #8.

ADDITIONAL RULES

RULE 5 – AGGREGATING SPECIFIC DEDUCTIBLE SPLIT FUND OPTION

This rule is added to the Aggregating Specific Stop Loss section of the Specific Stop Loss Manual.

1. To be eligible for the split fund option, the aggregating specific deductible must be less than or equal to 40% of the premium before application of the deductible and the group size must be greater than or equal to 400 employees.
2. For groups greater than or equal to 400 and less than 1,250 employees, with a retention less than \$300,000, the premium may be reduced by the amount of the aggregating specific deductible.
3. If the group size is greater than or equal to 1,250 employees, the premium may be reduced by the amount of the aggregating specific deductible.
4. An aggregating specific deductible option may NOT be written on an account that has an experience refund.

Specific Stop Loss - Net Monthly Premium Rates, Unlimited Maximum - 2013

TYPE I - Underwritten New Business -

Actively at Work Provision, No Coverage for Disabled Persons

Specific Stop Loss Deductible	Incurred in 12 Months Paid in 12 Months		Paid in 12 Months		Incurred in 12 Months Paid in 15 Months	
	Composite		Composite		Composite	
	Employee	Dependent	Employee	Dependent	Employee	Dependent
AREA F						
\$ 15,000	200.39	391.31	228.31	445.83	241.43	471.46
\$ 17,500	182.67	359.41	208.12	409.49	220.08	433.02
\$ 20,000	168.40	333.73	191.87	380.23	202.90	402.08
\$ 22,500	156.30	310.78	178.08	354.08	188.31	374.43
\$ 25,000	146.55	292.31	166.98	333.04	176.57	352.18
\$ 30,000	128.38	254.55	146.26	290.02	154.67	306.69
\$ 35,000	114.77	231.91	130.76	264.22	138.28	279.41
\$ 40,000	103.81	213.62	118.28	243.38	125.08	257.37
\$ 45,000	93.74	194.24	106.80	221.30	112.94	234.02
\$ 50,000	85.58	178.51	97.51	203.38	103.11	215.07
\$ 55,000	79.72	167.55	90.83	190.90	96.05	201.87
\$ 60,000	74.97	158.65	85.41	180.76	90.32	191.15
\$ 65,000	70.07	149.58	79.83	170.42	84.42	180.21
\$ 70,000	65.67	141.41	74.82	161.11	79.12	170.37
\$ 75,000	62.12	134.83	70.77	153.61	74.84	162.44
\$ 80,000	58.80	128.93	66.99	146.89	70.84	155.34
\$ 85,000	55.72	123.47	63.48	140.67	67.13	148.76
\$ 90,000	52.94	118.53	60.31	135.04	63.78	142.80
\$ 95,000	50.47	114.18	57.50	130.10	60.81	137.57
\$ 100,000	48.24	110.25	54.96	125.61	58.12	132.83
\$ 105,000	46.07	106.31	52.49	121.12	55.51	128.08
\$ 110,000	44.04	102.61	50.18	116.90	53.06	123.62
\$ 115,000	42.20	99.25	48.08	113.08	50.84	119.58
\$ 120,000	40.52	96.18	46.16	109.59	48.82	115.88
\$ 125,000	38.99	93.39	44.42	106.41	46.98	112.52
\$ 130,000	37.57	90.54	42.81	103.16	45.27	109.09
\$ 135,000	36.24	87.86	41.29	100.10	43.66	105.85
\$ 140,000	35.03	85.44	39.91	97.34	42.21	102.93
\$ 145,000	33.93	83.22	38.66	94.82	40.88	100.27
\$ 150,000	32.93	81.23	37.52	92.54	39.68	97.86
\$ 155,000	31.91	79.14	36.35	90.17	38.44	95.35
\$ 160,000	30.92	77.12	35.22	87.87	37.25	92.92
\$ 165,000	29.95	75.16	34.12	85.63	36.08	90.55
\$ 170,000	29.02	73.26	33.06	83.47	34.96	88.27
\$ 175,000	28.15	71.51	32.08	81.47	33.92	86.15
\$ 180,000	27.42	70.08	31.24	79.84	33.04	84.43
\$ 185,000	26.72	68.70	30.44	78.28	32.19	82.77
\$ 190,000	26.08	67.45	29.71	76.85	31.42	81.27

WESTPORT INSURANCE CORPORATION

WIC-ESL-CW-RATES AREA F TYPE I (07/01/2013) Page 1 of 2

Specific Stop Loss - Net Monthly Premium Rates, Unlimited Maximum - 2013

TYPE I - Underwritten New Business -

Actively at Work Provision, No Coverage for Disabled Persons

Specific Stop Loss Deductible	Incurred in 12 Months Paid in 12 Months		Paid in 12 Months		Incurred in 12 Months Paid in 15 Months	
	Composite		Composite		Composite	
	Employee	Dependent	Employee	Dependent	Employee	Dependent
AREA F						
\$ 195,000	25.45	66.24	29.00	75.47	30.67	79.81
\$ 200,000	24.85	65.07	28.31	74.14	29.94	78.40
\$ 205,000	24.23	63.76	27.61	72.65	29.19	76.82
\$ 210,000	23.63	62.50	26.93	71.21	28.47	75.30
\$ 215,000	23.05	61.26	26.26	69.80	27.77	73.81
\$ 220,000	22.48	60.07	25.61	68.44	27.09	72.37
\$ 225,000	21.96	58.97	25.02	67.18	26.46	71.05
\$ 230,000	21.32	57.56	24.29	65.59	25.69	69.35
\$ 235,000	20.71	56.22	23.60	64.05	24.96	67.73
\$ 240,000	20.15	54.98	22.96	62.64	24.28	66.24
\$ 245,000	19.61	53.79	22.35	61.28	23.63	64.80
\$ 250,000	19.09	52.64	21.75	59.97	23.00	63.42
\$ 275,000	16.86	47.46	19.20	54.07	20.31	57.18
\$ 300,000	15.09	43.39	17.19	49.43	18.18	52.27
\$ 325,000	13.50	39.55	15.38	45.06	16.26	47.65
\$ 350,000	12.20	36.50	13.90	41.58	14.70	43.97
\$ 375,000	11.09	33.91	12.63	38.63	13.36	40.85
\$ 400,000	10.20	31.93	11.62	36.38	12.29	38.47
\$ 425,000	9.48	30.01	10.80	34.20	11.42	36.16
\$ 450,000	8.70	27.89	9.91	31.78	10.48	33.60
\$ 475,000	8.06	26.16	9.18	29.80	9.71	31.52
\$ 500,000	7.40	24.34	8.43	27.73	8.91	29.33
\$ 550,000	6.38	21.00	7.27	23.93	7.69	25.30
\$ 600,000	5.55	18.25	6.32	20.79	6.68	21.99
\$ 650,000	4.84	15.92	5.51	18.14	5.83	19.18
\$ 700,000	4.23	13.93	4.82	15.87	5.10	16.78
\$ 750,000	3.72	12.24	4.24	13.95	4.48	14.75
\$ 800,000	3.27	10.77	3.73	12.27	3.94	12.97
\$ 900,000	2.55	8.39	2.90	9.56	3.07	10.10
\$ 1,000,000	2.00	6.57	2.28	7.49	2.41	7.92
\$ 1,250,000	1.40	4.59	1.59	5.23	1.68	5.53
\$ 1,500,000	0.92	3.02	1.05	3.44	1.11	3.64
\$ 2,000,000	0.65	2.13	0.74	2.43	0.78	2.57
\$ 2,500,000	0.52	1.71	0.59	1.95	0.63	2.06
\$ 3,000,000	0.40	1.33	0.46	1.52	0.49	1.61
\$ 4,000,000	0.33	1.09	0.38	1.24	0.40	1.31
\$ 5,000,000	0.27	0.89	0.31	1.01	0.33	1.07
\$ 10,000,000	0.00	0.00	0.00	0.00	0.00	0.00

WESTPORT INSURANCE CORPORATION

WIC-ESL-CW-RATES AREA F TYPE I (07/01/2013) Page 2 of 2

Specific Stop Loss - Net Monthly Premium Rates, Unlimited Maximum - 2013

TYPE II - Underwritten New Business or Renewal -

Actively at Work Waived, Coverage for Disabled Persons

Specific Stop Loss Deductible	Incurred in 12 Months Paid in 12 Months		Paid in 12 Months		Incurred in 12 Months Paid in 15 Months	
	Composite		Composite		Composite	
	Employee	Dependent	Employee	Dependent	Employee	Dependent
AREA F						
\$ 15,000	217.81	425.34	262.43	512.45	262.43	512.45
\$ 17,500	198.55	390.66	239.22	470.68	239.22	470.68
\$ 20,000	183.05	362.75	220.54	437.04	220.54	437.04
\$ 22,500	169.89	337.81	204.69	406.99	204.69	406.99
\$ 25,000	159.30	317.73	191.93	382.80	191.93	382.80
\$ 30,000	139.54	276.69	168.12	333.36	168.12	333.36
\$ 35,000	124.75	252.07	150.30	303.70	150.30	303.70
\$ 40,000	112.84	232.19	135.95	279.75	135.95	279.75
\$ 45,000	101.89	211.13	122.76	254.37	122.76	254.37
\$ 50,000	93.02	194.03	112.07	233.77	112.07	233.77
\$ 55,000	86.65	182.12	104.40	219.42	104.40	219.42
\$ 60,000	81.49	172.45	98.18	207.77	98.18	207.77
\$ 65,000	76.16	162.58	91.76	195.88	91.76	195.88
\$ 70,000	71.38	153.71	86.00	185.19	86.00	185.19
\$ 75,000	67.52	146.55	81.35	176.57	81.35	176.57
\$ 80,000	63.91	140.14	77.00	168.84	77.00	168.84
\$ 85,000	60.56	134.21	72.97	161.70	72.97	161.70
\$ 90,000	57.54	128.83	69.32	155.22	69.32	155.22
\$ 95,000	54.86	124.11	66.10	149.53	66.10	149.53
\$ 100,000	52.43	119.83	63.17	144.38	63.17	144.38
\$ 105,000	50.08	115.55	60.34	139.22	60.34	139.22
\$ 110,000	47.87	111.53	57.67	134.37	57.67	134.37
\$ 115,000	45.87	107.88	55.27	129.98	55.27	129.98
\$ 120,000	44.04	104.55	53.06	125.96	53.06	125.96
\$ 125,000	42.38	101.51	51.06	122.31	51.06	122.31
\$ 130,000	40.84	98.41	49.20	118.57	49.20	118.57
\$ 135,000	39.39	95.50	47.46	115.06	47.46	115.06
\$ 140,000	38.08	92.86	45.88	111.89	45.88	111.89
\$ 145,000	36.88	90.46	44.43	108.99	44.43	108.99
\$ 150,000	35.80	88.29	43.13	106.37	43.13	106.37
\$ 155,000	34.68	86.02	41.78	103.64	41.78	103.64
\$ 160,000	33.60	83.83	40.49	101.00	40.49	101.00
\$ 165,000	32.55	81.69	39.22	98.42	39.22	98.42
\$ 170,000	31.54	79.63	38.00	95.94	38.00	95.94
\$ 175,000	30.60	77.73	36.87	93.65	36.87	93.65
\$ 180,000	29.81	76.17	35.91	91.77	35.91	91.77
\$ 185,000	29.04	74.68	34.99	89.97	34.99	89.97
\$ 190,000	28.34	73.32	34.15	88.33	34.15	88.33

WESTPORT INSURANCE CORPORATION

WIC-ESL-CW-RATES AREA F TYPE II (07/01/2013) Page 1 of 2

Specific Stop Loss - Net Monthly Premium Rates, Unlimited Maximum - 2013

TYPE II - Underwritten New Business or Renewal -

Actively at Work Waived, Coverage for Disabled Persons

Specific Stop Loss Deductible	Incurred in 12 Months Paid in 12 Months		Paid in 12 Months		Incurred in 12 Months Paid in 15 Months	
	Composite		Composite		Composite	
	Employee	Dependent	Employee	Dependent	Employee	Dependent
AREA F						
\$ 195,000	27.67	72.00	33.33	86.75	33.33	86.75
\$ 200,000	27.01	70.73	32.54	85.21	32.54	85.21
\$ 205,000	26.34	69.31	31.73	83.50	31.73	83.50
\$ 210,000	25.69	67.93	30.95	81.85	30.95	81.85
\$ 215,000	25.05	66.59	30.18	80.23	30.18	80.23
\$ 220,000	24.44	65.29	29.44	78.67	29.44	78.67
\$ 225,000	23.87	64.10	28.76	77.22	28.76	77.22
\$ 230,000	23.18	62.57	27.92	75.39	27.92	75.39
\$ 235,000	22.51	61.11	27.13	73.62	27.13	73.62
\$ 240,000	21.91	59.76	26.39	72.00	26.39	72.00
\$ 245,000	21.32	58.46	25.69	70.44	25.69	70.44
\$ 250,000	20.75	57.21	25.01	68.93	25.01	68.93
\$ 275,000	18.32	51.59	22.07	62.15	22.07	62.15
\$ 300,000	16.40	47.16	19.76	56.82	19.76	56.82
\$ 325,000	14.67	42.99	17.67	51.80	17.67	51.80
\$ 350,000	13.26	39.67	15.98	47.80	15.98	47.80
\$ 375,000	12.05	36.86	14.52	44.41	14.52	44.41
\$ 400,000	11.09	34.71	13.36	41.82	13.36	41.82
\$ 425,000	10.30	32.62	12.42	39.31	12.42	39.31
\$ 450,000	9.46	30.31	11.40	36.52	11.40	36.52
\$ 475,000	8.76	28.43	10.55	34.26	10.55	34.26
\$ 500,000	8.04	26.46	9.69	31.88	9.69	31.88
\$ 550,000	6.94	22.83	8.36	27.50	8.36	27.50
\$ 600,000	6.03	19.84	7.26	23.90	7.26	23.90
\$ 650,000	5.26	17.31	6.34	20.85	6.34	20.85
\$ 700,000	4.60	15.14	5.54	18.24	5.54	18.24
\$ 750,000	4.04	13.31	4.87	16.03	4.87	16.03
\$ 800,000	3.56	11.70	4.29	14.10	4.29	14.10
\$ 900,000	2.77	9.12	3.34	10.98	3.34	10.98
\$ 1,000,000	2.17	7.15	2.62	8.61	2.62	8.61
\$ 1,250,000	1.52	4.99	1.83	6.01	1.83	6.01
\$ 1,500,000	1.00	3.28	1.20	3.96	1.20	3.96
\$ 2,000,000	0.70	2.32	0.85	2.79	0.85	2.79
\$ 2,500,000	0.56	1.86	0.68	2.24	0.68	2.24
\$ 3,000,000	0.44	1.45	0.53	1.75	0.53	1.75
\$ 4,000,000	0.36	1.18	0.43	1.42	0.43	1.42
\$ 5,000,000	0.29	0.97	0.35	1.16	0.35	1.16
\$ 10,000,000	0.00	0.00	0.00	0.00	0.00	0.00

WESTPORT INSURANCE CORPORATION

WIC-ESL-CW-RATES AREA F TYPE II (07/01/2013) Page 2 of 2

Specific Stop Loss - Net Monthly Premium Rates, Unlimited Maximum - 2013

TYPE III - Automatic Renewal -

Actively at Work Provision Not Applicable, Coverage for Disabled Perso

Specific Stop Loss Deductible	Incurred in 12 Months Paid in 12 Months		Paid in 12 Months		Incurred in 12 Months Paid in 15 Months	
	Employee	Composite Dependent	Employee	Composite Dependent	Employee	Composite Dependent
AREA F						
\$ 15,000	242.62	474.22	286.46	559.92	292.31	571.35
\$ 17,500	223.73	440.63	264.16	520.27	269.55	530.88
\$ 20,000	208.52	413.60	246.21	488.34	251.23	498.31
\$ 22,500	195.74	389.55	231.12	459.95	235.83	469.33
\$ 25,000	185.45	370.18	218.97	437.09	223.44	446.01
\$ 30,000	166.09	329.55	196.10	389.10	200.10	397.04
\$ 35,000	150.11	303.54	177.24	358.40	180.85	365.71
\$ 40,000	137.22	282.49	162.02	333.54	165.32	340.35
\$ 45,000	125.22	259.59	147.85	306.50	150.87	312.75
\$ 50,000	115.47	240.91	136.33	284.45	139.12	290.26
\$ 55,000	107.56	226.14	127.00	267.00	129.59	272.45
\$ 60,000	101.16	214.14	119.44	252.84	121.87	258.00
\$ 65,000	95.18	203.23	112.38	239.96	114.67	244.86
\$ 70,000	89.80	193.41	106.03	228.37	108.19	233.03
\$ 75,000	85.46	185.51	100.91	219.03	102.97	223.50
\$ 80,000	80.90	177.39	95.52	209.45	97.47	213.73
\$ 85,000	76.66	169.88	90.52	200.58	92.37	204.68
\$ 90,000	72.83	163.08	86.00	192.55	87.75	196.48
\$ 95,000	69.44	157.11	81.99	185.50	83.67	189.28
\$ 100,000	66.37	151.69	78.36	179.10	79.96	182.75
\$ 105,000	63.39	146.27	74.85	172.70	76.38	176.23
\$ 110,000	60.59	141.18	71.55	166.69	73.01	170.09
\$ 115,000	58.06	136.56	68.56	161.24	69.96	164.53
\$ 120,000	55.75	132.34	65.82	156.25	67.17	159.44
\$ 125,000	53.65	128.50	63.34	151.72	64.63	154.82
\$ 130,000	51.70	124.57	61.04	147.09	62.28	150.09
\$ 135,000	49.86	120.88	58.87	142.73	60.07	145.64
\$ 140,000	48.20	117.55	56.91	138.79	58.07	141.63
\$ 145,000	46.68	114.51	55.12	135.20	56.25	137.96
\$ 150,000	45.31	111.76	53.50	131.96	54.59	134.65
\$ 155,000	43.90	108.89	51.83	128.57	52.89	131.19
\$ 160,000	42.54	106.11	50.22	125.29	51.25	127.85
\$ 165,000	41.21	103.41	48.65	122.10	49.65	124.59
\$ 170,000	39.92	100.80	47.14	119.02	48.10	121.45
\$ 175,000	38.74	98.39	45.74	116.17	46.67	118.54
\$ 180,000	37.73	96.42	44.55	113.85	45.46	116.17
\$ 185,000	36.76	94.53	43.41	111.61	44.29	113.89
\$ 190,000	35.88	92.81	42.36	109.58	43.23	111.82

WESTPORT INSURANCE CORPORATION

WIC-ESL-CW-RATES AREA F TYPE III (07/01/2013) Page 1 of 2

Specific Stop Loss - Net Monthly Premium Rates, Unlimited Maximum - 2013

TYPE III - Automatic Renewal -

Actively at Work Provision Not Applicable, Coverage for Disabled Perso

Specific Stop Loss Deductible	Incurred in 12 Months Paid in 12 Months		Paid in 12 Months		Incurred in 12 Months Paid in 15 Months	
	Composite		Composite		Composite	
	Employee	Dependent	Employee	Dependent	Employee	Dependent
AREA F						
\$ 195,000	35.02	91.14	41.35	107.61	42.19	109.81
\$ 200,000	34.19	89.53	40.37	105.71	41.19	107.87
\$ 205,000	33.34	87.73	39.36	103.59	40.17	105.70
\$ 210,000	32.52	85.99	38.39	101.53	39.18	103.60
\$ 215,000	31.71	84.29	37.44	99.52	38.21	101.56
\$ 220,000	30.93	82.65	36.52	97.58	37.27	99.58
\$ 225,000	30.21	81.13	35.67	95.80	36.40	97.75
\$ 230,000	29.34	79.20	34.64	93.52	35.35	95.43
\$ 235,000	28.50	77.35	33.65	91.33	34.34	93.19
\$ 240,000	27.73	75.65	32.74	89.32	33.41	91.14
\$ 245,000	26.99	74.00	31.86	87.38	32.51	89.16
\$ 250,000	26.27	72.42	31.02	85.51	31.65	87.25
\$ 275,000	23.19	65.30	27.38	77.10	27.94	78.67
\$ 300,000	20.76	59.70	24.51	70.48	25.01	71.92
\$ 325,000	18.57	54.42	21.92	64.25	22.37	65.56
\$ 350,000	16.79	50.22	19.82	59.29	20.23	60.50
\$ 375,000	15.25	46.66	18.01	55.09	18.38	56.21
\$ 400,000	14.04	43.94	16.57	51.88	16.91	52.93
\$ 425,000	13.04	41.30	15.40	48.76	15.72	49.75
\$ 450,000	11.97	38.37	14.14	45.31	14.43	46.23
\$ 475,000	11.08	35.99	13.09	42.49	13.35	43.36
\$ 500,000	10.18	33.49	12.02	39.55	12.26	40.35
\$ 550,000	8.78	28.90	10.37	34.12	10.58	34.82
\$ 600,000	7.63	25.11	9.01	29.65	9.19	30.25
\$ 650,000	6.66	21.91	7.86	25.86	8.02	26.39
\$ 700,000	5.82	19.17	6.88	22.63	7.02	23.09
\$ 750,000	5.12	16.84	6.04	19.89	6.17	20.29
\$ 800,000	4.50	14.82	5.32	17.49	5.42	17.85
\$ 900,000	3.51	11.54	4.14	13.62	4.22	13.90
\$ 1,000,000	2.75	9.05	3.25	10.68	3.31	10.90
\$ 1,250,000	1.92	6.32	2.27	7.46	2.31	7.61
\$ 1,500,000	1.26	4.16	1.49	4.91	1.52	5.01
\$ 2,000,000	0.89	2.93	1.05	3.46	1.07	3.53
\$ 2,500,000	0.71	2.35	0.84	2.78	0.86	2.83
\$ 3,000,000	0.56	1.83	0.66	2.16	0.67	2.21
\$ 4,000,000	0.45	1.50	0.54	1.77	0.55	1.80
\$ 5,000,000	0.37	1.22	0.44	1.44	0.45	1.47
\$ 10,000,000	0.00	0.00	0.00	0.00	0.00	0.00

WESTPORT INSURANCE CORPORATION

WIC-ESL-CW-RATES AREA F TYPE III Page 2 of 2 (07/01/2013)

State:	District of Columbia	Filing Company:	Westport Insurance Corporation
TOI/Sub-TOI:	H12 Health - Excess/Stop Loss/H12.004 Self-Funded Health Plan		
Product Name:	Employer Excess Stop Loss		
Project Name/Number:	Rule Revision for Employer Excess Stop Loss /13-08414		

Supporting Document Schedules

Bypassed - Item:	Cover Letter All Filings
Bypass Reason:	Please see general information tab and actuarial memo.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	Not applicable to this filing
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	WIC ESL DC eff 07-01-13 Memo.pdf WIC ESL DC eff 07-01-13 Exhibits.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	No applicable to this filing
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	Not applicable to this filing
Attachment(s):	
Item Status:	
Status Date:	

State:	District of Columbia	Filing Company:	Westport Insurance Corporation
TOI/Sub-TOI:	H12 Health - Excess/Stop Loss/H12.004 Self-Funded Health Plan		
Product Name:	Employer Excess Stop Loss		
Project Name/Number:	Rule Revision for Employer Excess Stop Loss /13-08414		

Satisfied - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Comments:	
Attachment(s):	WIC ESL DC eff 07-01-13 Exhibits.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	Not applicable to this filing
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	Not applicable to this filing
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Previously filed pages showing changes made
Comments:	
Attachment(s):	WIC-ESL-CW-E1 07-01-2012 vs WIC-ESL-CW-E1 07-01-2013.pdf WIC-ESL-CW-E3 01-01-2012 vs WIC-ESL-CW-E3 07-01-2013.pdf WIC-ESL-CW-E4 04-01-2013 vs WIC-ESL-CW-E4 07-01-2013.pdf WIC-ESL-CW-E5 07-01-2012 vs WIC-ESL-CW-E5 07-01-2012.pdf
Item Status:	
Status Date:	

SCOPE & PURPOSE

The purpose of this memorandum is to describe the Employer Stop Loss product and the rating practices utilized by Westport Insurance Corporation, for policy effective dates beginning July 1, 2013 in the [District Of Columbia](#). This memorandum is not intended to be used for other purposes.

CHANGES TO MANUAL RATES

Effective July 1, 2013, we plan to adopt the 2013 Towers Watson Stop Loss Manual. All future references to the Towers Watson Stop Loss Manual are for the version effective January 2013.

Westport has conducted a rate study with our own company submission and experience data. We have made an adjustment to the Towers Watson rates based on this indication. Also the base rate table has been extended from \$1m limits to an unlimited table thus eliminating the need for maximum factors. The total impact for the unlimited rates relative to the previous year's version is a 17.3% reduction before trend and 1.9% reduction after trend.

EXCEPTIONS FROM THE TOWERS WATSON MANUAL

We depart from the Towers Watson Stop Loss Manual in a few aspects of the rating algorithm which are shown on company manual exception pages.

The following exception pages are new with this filing:

These pages will replace the rate tables in the Towers Watson Stop Loss Manual for [District Of Columbia](#).

- **WIC-ESL-CW-RATES Area F Type I (07/01/2013) Page 1 & 2**
- **WIC-ESL-CW-RATES Area F Type II (07/01/2013) Page 1 & 2**
- **WIC-ESL-CW-RATES Area F Type III (07/01/2013) Page 1 & 2**

The following exception pages are revisions to current approved exception pages:

- **WIC-ESL-CW-E1 (07/01/2013) will replace WIC-ESL-CW-E1 (07/01/2012).**
Additional Rule 1 – Experience Refund. This rule is being consolidated for consistency across all employers.
- **New Rule WIC-ESL-CW-E2 (07/01/2013) will replace WIC-ESL-CW-E2 (07/01/2012).**
New Additional Rule 2 – Hospital Domestic Reimbursement Adjustment Factor is being added to replace the Hospital Domestic Reimbursement Adjustment Factor section of the Specific Stop Loss Manual.

Old Additional Rule 2 – Adjustment for Other Maximum Benefits is being withdrawn. The adjustments for other maximum benefits are no longer needed since the new rates are Unlimited.

- **WIC-ESL-CW-E3 (07/01/2013) will replace WIC-ESL-CW-E3 (01/01/2012).**

Additional Rule 3 – Credibility and Experience Rating. The cap for a trended claim is being changed from \$1 million to \$2 million. A pooling charge equal to the manual rate for the case at a \$2 million deductible is added instead of a \$1 million deductible.

- **WIC-ESL-CW-E4 (07/01/2013) will replace WIC-ESL-CW-E4 (04/01/2013).**
Additional Rule 4 – Industry Classifications. This rule amends the Industry Classification section of the Towers Watson HealthMAPS Specific Stop Loss Manual. It also verifies the rating factors that Westport will use, since there are two available in the manual. We are filing changes to the factors based upon our company experience. The impact of this change is -0.1%
- **WIC-ESL-CW-E5 (07/01/2013) will replace WIC-ESL-CW-E5 (07/01/2012).**
Additional Rule 5 – Aggregating Specific Deductible Split Fund Option. This rule is corrected to show it applies to the Specific Stop Loss Manual, not the Aggregate Stop Loss Manual.
- **WIC-ESL-CW-E6 (07/01/2012) and WIC-ESL-CW-E7 (07/01/2012) are not changing.**

Table 1: Change in manual rates and proposed exceptions.

<u>Factor</u>	<u>% Change</u>
Base Rates	-17.3%
Industry Load	-0.1%
Total Change	-17.4%

BENEFIT DESCRIPTION

The policy provides excess coverage at a specific retention level chosen by the self-insured employer. The coverage is for benefits provided under the Self-Insured Employee Benefit Plan. The maximum coverage is typically unlimited per member per year, less the employer's specific retention. Other lower coverage limits are available, with corresponding price adjustments. Aggregate coverage is also available with policy limits of at least \$1 million. This product is available for employers with more than 50 employees. The Westport Insurance Corporation targets employers with 200+ employees.

Specific deductibles of less than \$25,000 and aggregate attachment points set at less than 115% of expected claims are not offered.

RENEWABILITY CLAUSE

Policies are annually renewable at the discretion of either party.

APPLICABILITY

Rates apply to new and renewal business.

MORBIDITY

The cost of claims for each claim level is calculated by multiplying the annual frequency by the annual claim cost, adjusted for the severity trend factor. Aggregating the cost of claims excess of a particular retention yields the insurance cost for that retention level. The rate for a certain layer is then calculated by taking the difference between the insurance cost of the upper bound of the layer and the insurance cost of the lower bound of the layer. Demographic, geographic,

industry, PPO discount, contractual and performance adjustments are applied to this rate. The final rate is adjusted for coinsurance percentage and underwriting expenses.

MORTALITY

Not applicable.

PERSISTENCY

Not applicable.

EXPENSES

The insurance expense load includes general operating expenses, claims administration expenses, premium taxes and provision for state assessments. A profit margin of 3.6% is calculated in Exhibit 3. Commission expenses vary by contract.

Item	Pct. of Premium	Total
Loss Ratio		70.1%
Internal Expense	16.3%	
Premium Tax	2.0%	
Broker Commission	8.0%	
Total Expense		26.3%
Profit and Contingency Load		3.6%
Total		100.0%

MARKETING METHOD

Independent agents and brokers who are appointed with Westport Insurance Corporation market this product.

UNDERWRITING

Group type underwriting is employed. The rate is a blend of the experience based rate (described previously) and a manually generated rate based on the characteristics of the group.

If significant ongoing medical risk exists above what would normally be expected, the underwriter enters an adjustment to reflect the additional risk. If there is a significant reduction of ongoing medical risk, the underwriter enters an adjustment to reflect the reduced risk. The underwriter may also reflect factors not considered by this rating algorithm using credits/debits as an underwriting adjustment. The total underwriting adjustment will be no less than -50% and no more than 50%.

PREMIUM CLASSES

Vary by specific retention, geographical location, plan of benefits, age/gender composition of group, liability basis, managed care, industry, coinsurance percentage, length of policy period, claim information, and others.

PREMIUM MODALIZATION RULES

Premiums are paid monthly based on enrollment.

ISSUE AGE RANGE

Age range includes all employees and retirees covered by the plan and their covered dependents.

AREA FACTORS

Area base rates listed above under "EXCEPTIONS FROM THE TOWERS WATSON MANUAL" will be used.

ANNUAL TREND ASSUMPTIONS

Medical trend accounts for provider price increases, utilization changes, and other impacts on medical costs. Insurance trend represents the leveraging effect of the medical trend.

Trend varies by retention level as follows:

Table 2: Current and proposed trend rates.

Trend Rates Effective July 2013

Deductible Range (000)	\$0-\$15	\$16-\$50	\$51-\$100	\$101-\$150	\$151-\$200	\$201-\$300
Medical Trend	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Insurance Trend	0.0%	6.6%	7.8%	9.0%	10.2%	11.4%
Total Trend	9.0%	15.6%	16.8%	18.0%	19.2%	20.4%
Deductible Range (000)	\$301-\$450	\$451-\$550	\$551-\$650	\$651-\$750	>\$750	
Medical Trend	9.0%	9.0%	9.0%	9.0%	9.0%	
Insurance Trend	12.6%	13.8%	15.0%	16.2%	17.4%	
Total Trend	21.6%	22.8%	24.0%	25.2%	26.4%	

Previous Trend Rates July 2012

Deductible Range (000)	\$0-\$15	\$16-\$50	\$51-\$100	\$101-\$150	\$151-\$200	\$201-\$300
Medical Trend	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Insurance Trend	0.0%	6.2%	7.5%	8.8%	10.1%	11.4%
Total Trend	10.0%	16.2%	17.5%	18.8%	20.1%	21.4%
Deductible Range (000)	\$301-\$400	\$401-\$500	\$501-\$600	\$601-\$750	>\$750	
Medical Trend	10.0%	10.0%	10.0%	10.0%	10.0%	
Insurance Trend	12.8%	14.1%	15.4%	16.8%	18.1%	
Total Trend	22.8%	24.1%	25.4%	26.8%	28.1%	

EXHIBIT 1 AND 2—COUNTRYWIDE AND STATE SPECIFIC EXPERIENCE

Exhibit 1 illustrates, on a countrywide basis, the profit and loss experience of the product over the current and previous 10 years. The method used to determine IBNR is the Benktander

method. Lag triangles are developed off of actual paid claims and completion factors are estimated based on the payout patterns. Recent underwriting years are credibility weighted with the expected loss ratio. The exhibit also lists the number of policyholders by underwriting year. The 2012 underwriting year includes written premium and policy counts for policies written with an effective date between January 1, 2012 and December 31, 2012.

Exhibit 2 illustrates the same information as Exhibit 1, but only for policies written in the District Of Columbia.

EXHIBIT 3—ANTICIPATED LOSS RATIO

Exhibit 3 illustrates the expected profit and loss experience of a typical case with a nominal gross written premium of \$100,000. For the exhibit, a cash flow model was used to measure the impact of investment income. The model projects cash flows for the representative policy, giving consideration to premiums collectible, losses payable, expenses payable, income tax payable, and investment income on funds available to be invested. The profit provision used explicitly reflects investment income.

ACTIVE LIFE RESERVES

Not applicable.

MINIMUM LOSS RATIO

The applicable minimum loss ratio is 65%.

HISTORY OF RATE FILINGS

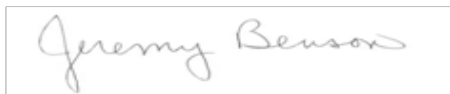
<u>Effective Date</u>	<u>Approval Date</u>
01/01/2009	12/09/2008
01/01/2010	02/24/2010
01/01/2011	12/14/2010
01/01/2012	08/18/2011
07/01/2012	10/12/2012
04/01/2013	12/05/2012

CONTINGENCY & RISK MARGINS

The profit and contingencies margin is 3.6%, as presented in Exhibit 3.

ACTUARIAL CERTIFICATION

I, Jeremy Benson, am a Fellow of the Society of Actuaries (SOA). I hereby certify that to the best of my knowledge and judgment, this submission is in compliance with applicable laws and regulations, including applicable Actuarial Standard of Practice, and that the assumptions used to develop the premium rates are reasonable. I have examined the rating methodology of Westport Insurance Corporation for this policy form and based on that information certify that the benefits provided are reasonable in relation to the premiums. Westport Insurance Corporation's anticipated loss ratio is 70.1%.

A rectangular box containing a handwritten signature in cursive script that reads "Jeremy Benson".

Fellow, Society of Actuaries

Exhibit 1

Westport Insurance Corporation

Loss Experience
as of 12/31/2012
National

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Underwriting Year	Number of Policyholders	Written Premium	Paid Loss	IBNR	Total Incurred Claims	Incurred Loss Ratio
2002	610	131,423,836	85,132,190	0	85,132,190	64.8%
2003	492	121,969,607	86,424,222	0	86,424,222	70.9%
2004	177	56,087,845	31,222,320	0	31,222,320	55.7%
2005	96	32,987,315	21,591,602	0	21,591,602	65.5%
2006	60	23,238,202	11,403,106	0	11,403,106	49.1%
2007	77	28,255,375	16,280,490	0	16,280,490	57.6%
2008	103	35,015,487	30,481,644	0	30,481,644	87.1%
2009	129	45,505,053	35,462,977	0	35,462,977	77.9%
2010	140	42,472,382	36,622,471	0	36,622,471	86.2%
2011	208	78,365,498	63,530,638	947,500	64,478,138	82.3%
2012	215	88,023,475	47,451,060	27,425,279	74,876,339	85.1%
Total	2,307	683,344,075	465,602,720	28,372,779	493,975,499	72.3%

Exhibit 2

Westport Insurance Corporation

Loss Experience
as of 12/31/2012
District Of Columbia

(a) Underwriting Year	(b) Number of Policyholders	(c) Written Premium	(d) Paid Loss	(e) IBNR	(f) Total Incurred Claims	(g) Incurred Loss Ratio
2002	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A
2005	1	526,881	0	0	0	0.0%
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A
Total:	1	526,881	0	0	0	0.0%

Exhibit 3

Westport Insurance Corporation

Cash flow Investment Income Calculation

(1)	Gross Written Premium	\$100,000
(2)	Premium-to-Surplus Ratio	2.1
(3)	Required Capital	\$47,619
(4)	Loss Ratio	70.1%
(5)	Expense Ratio	26.3%
(6)	Profit	3.6%
(7)	Inv. Rate	0.35%
(8)	Tax Rate	35%

Return on Premium	2.6% $PV(U)/PV(A)$
Return on Required Capital	5.4% $PV(U)/(3)$

Year Y	Operations							Invest able Funds			Discount Factors K
	Premium Earned A	Incurred Expenses B	% Paid C	Paid Loss D	O/S Loss E	Incurred Loss F	U/W Gain/Loss G	Available Capital H	Operations I	Total Inv. Funds J	
1	\$100,000	\$26,300	42.0%	\$29,442	\$40,658	\$70,100	\$3,600	\$47,619	\$44,258	\$91,877	0.9983
2	\$0	\$0	51.0%	\$35,751	\$4,907	\$0	\$0	\$43,670	-\$35,751	\$7,919	0.9948
3	\$0	\$0	7.0%	\$4,907	\$0	\$0	\$0	\$7,527	-\$4,907	\$2,620	0.9913
4	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.9878
5	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.9844
6	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.9810
Total	\$100,000	\$26,300	100%	\$70,100	\$0	\$70,100	\$3,600		\$3,600	\$102,416	
PV	\$99,825	\$26,254		\$69,819		\$69,978	\$3,594				

Year Y	Investment Income (Pre-Tax)			Total Gain/Loss (Pre-Tax) O	Tax					Total Gain/Loss (Post-Tax) U	EOY Balance V
	Capital L	Oper-ations M	Total Pre-Tax Inv. Income N		Tax on Gain/Loss P	Tax Discount Factors Q	Change in O/S Loss Discount R	Deferred Tax S	Total Tax T		
1	\$167	\$77	\$244	\$3,844	\$1,345	0.964	\$1,467	\$513	\$832	\$3,012	\$43,670
2	\$153	-\$63	\$90	\$90	\$32	0.963	-\$1,287	-\$451	\$482	-\$392	\$7,527
3	\$26	-\$9	\$18	\$18	\$6	0.981	-\$179	-\$63	\$69	-\$51	\$2,569
4	\$0	\$0	\$0	\$0	\$0	0.981	\$0	\$0	\$0	\$0	\$2,569
5	\$0	\$0	\$0	\$0	\$0	0.981	\$0	\$0	\$0	\$0	\$2,569
6	\$0	\$0	\$0	\$0	\$0	0.981	\$0	\$0	\$0	\$0	\$2,569
Total	\$346	\$6	\$352	\$3,952	\$1,383		\$0	\$0	\$1,383	\$2,569	
PV	\$345	\$7	\$351	\$3,945	\$1,381		\$6	\$2	\$1,379	\$2,566	

Legend

A From (1)
 B $A \times (5)$
 C From Historical Experience
 D $A \times C \times (4)$
 E Forward-sum D
 F $D + E$
 G $A - B - F$
 H V for Y-1; or (3) for Y=1
 I $A - B - D$
 J $H + I$
 K $1 / \{[1+(7)]^Y - 0.5\}$

L $H \times (7)$
 M $I \times (7)/2$
 N $L + M$
 O $G + N$
 P $O \times (8)$
 Q $1 / \{[1+(7)]^Y\}$
 R $[1-Q] \times E - \text{Back-sum R}$
 S $R \times (8)$
 T $P - S$
 U $O - T$
 V $[(1) \text{ for } Y=1; V \text{ for } Y < > 1] - B - D - G + U$

Exhibit 1

Westport Insurance Corporation

Loss Experience
as of 12/31/2012
National

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Underwriting Year	Number of Policyholders	Written Premium	Paid Loss	IBNR	Total Incurred Claims	Incurred Loss Ratio
2002	610	131,423,836	85,132,190	0	85,132,190	64.8%
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Total	2,307	683,344,075	465,602,720	28,372,779	493,975,499	72.3%

Exhibit 2

Westport Insurance Corporation

Loss Experience
as of 12/31/2012
District Of Columbia

(a) Underwriting Year	(b) Number of Policyholders	(c) Written Premium	(d) Paid Loss	(e) IBNR	(f) Total Incurred Claims	(g) Incurred Loss Ratio
2002	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A
2005	1	526,881	0	0	0	0.0%
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A
Total:	1	526,881	0	0	0	0.0%

Exhibit 3

Westport Insurance Corporation

Cash flow Investment Income Calculation

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(8)	Tax Rate	35%

Return on Premium	2.6% $PV(U)/PV(A)$
Return on Required Capital	5.4% $PV(U)/(3)$

Year Y	Operations							Invest able Funds			Discount Factors K
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4	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.9878
5	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.9844
6	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.9810
Total	\$100,000	\$26,300	100%	\$70,100	\$0	\$70,100	\$3,600		\$3,600	\$102,416	
PV	\$99,825	\$26,254		\$69,819		\$69,978	\$3,594				

Year Y	Investment Income (Pre-Tax)			Total Gain/Loss (Pre-Tax) O	Tax					Total Gain/Loss (Post-Tax) U	EOY Balance V
	Capital L	Oper-ations M	Total Pre-Tax Inv. Income N		Tax on Gain/Loss P	Tax Discount Factors Q	Change in O/S Loss Discount R	Deferred Tax S	Total Tax T		
1	\$167	\$77	\$244	\$3,844	\$1,345	0.964	\$1,467	\$513	\$832	\$3,012	\$43,670
2	\$153	-\$63	\$90	\$90	\$32	0.963	-\$1,287	-\$451	\$482	-\$392	\$7,527
3	\$26	-\$9	\$18	\$18	\$6	0.981	-\$179	-\$63	\$69	-\$51	\$2,569
4	\$0	\$0	\$0	\$0	\$0	0.981	\$0	\$0	\$0	\$0	\$2,569
5	\$0	\$0	\$0	\$0	\$0	0.981	\$0	\$0	\$0	\$0	\$2,569
6	\$0	\$0	\$0	\$0	\$0	0.981	\$0	\$0	\$0	\$0	\$2,569
Total	\$346	\$6	\$352	\$3,952	\$1,383		\$0	\$0	\$1,383	\$2,569	
PV	\$345	\$7	\$351	\$3,945	\$1,381		\$6	\$2	\$1,379	\$2,566	

Legend

A From (1)
 B $A \times (5)$
 C From Historical Experience
 D $A \times C \times (4)$
 E Forward-sum D
 F $D + E$
 G $A - B - F$
 H V for Y-1; or (3) for Y=1
 I $A - B - D$
 J $H + I$
 K $1 / \{[1+(7)]^Y - 0.5\}$

L $H \times (7)$
 M $I \times (7)/2$
 N $L + M$
 O $G + N$
 P $O \times (8)$
 Q $1 / \{[1+(7)]^Y\}$
 R $[1-Q] \times E - \text{Back-sum R}$
 S $R \times (8)$
 T $P - S$
 U $O - T$
 V $[(1) \text{ for } Y=1; V \text{ for } Y > 1] - B - D - G + U$

ADDITIONAL RULES**RULE 1 - EXPERIENCE REFUND****~~A. Experience Refund for Fully Insureds to Self Insured~~**

~~For employers moving from a fully insured plan to a self insured basis that will result in with a premium of \$500,000 or more, an experience refund option may be offered. The terms and calculation of the refund will be spelled out in the Experience Refund document, SP 5 459, that will be mutually agreed upon and signed by both the insured and the insurance company.~~

~~B. Experience Refund for Insureds with Claims Management Vendors~~

~~For employers utilizing non-affiliated third party claims management vendors, an experience refund option may be offered. The terms and calculation of the refund will be spelled out in the Experience Refund document, SP 5 459, that will be mutually agreed upon and signed by both the insured and the insurance company.~~

ADDITIONAL RULE**RULE 3– CREDIBILITY AND EXPERIENCE RATING**

This rule replaces the Credibility and Experience Rating section appearing in our current approved Specific Stop Loss Manual.

Step 1: Experience Rated Expected Claims (PEPM)

This adjustment comes from a historical analysis of actual claim costs experienced by the employer. The process can be generalized as follows:

For each experience period (typically 3-4 most recent years are used):

1. Determine number of employee-months: average number of employees x number of months in the experience period
2. Collect first dollar claim costs for all claimants at or above 50% of the proposed deductible.
3. Trend the claim costs using an appropriate first dollar trend rate from the midpoint of the experience period to the midpoint of the proposed policy period and cap each trended claim by ~~\$4~~ 2 million.
4. Subtract the deductible being quoted from each of the trended claim costs in (3).
5. Sum the excess values from (4).
6. Divide the total from (5) by the employee-months from (1).
7. The results for each year are then blended together based on underwriter-assigned weights, which must total 100%.
8. A pooling charge equal to the manual rate for the case at a ~~\$4~~ 2 million deductible is added to (7).

If only frequency of large claim costs, but not severity, is available then, for the latest 2 experience periods:

1. Collect the number of claims over a given threshold for each experience period (typically 50% of deductible).
2. Using probability distribution underlying base rates and trend, determine expected number of claims for experience and proposed policy periods.
3. Compare this to the expected number of claims based on exposure characteristics (manual rating).
4. Experience PEPM = (2) / (3) times Manual PEPM Rate.
5. The overall modification to the manual rate using this method after application of credibility is limited to +/- 15%.

Further adjustment is made if the historical plan of benefits or reporting basis is substantially different than what is being proposed.

Step 2: Obtain the manual rate from the Tillinghast Stop Loss Manual**Step 3: Credibility to Experience**

The credibility to experience is based on the following Specific Credibility Table, using group size and deductible as reference points.

Step 4: Blended Expected Claims (PEPM)

The following formula yields the result for Step 4:

$$\text{Step 2} \times [1 - \text{Step 3}] + \text{Step 1} \times \text{Step 3}$$

ADDITIONAL RULE

RULE 3– CREDIBILITY AND EXPERIENCE RATING (Continued)

Specific Credibility Table**Employee Years**

Deductible	50	75	100	150	200	300	500	750	1,000	1,500	2,000
5,000	16	20	23	28	33	40	52	64	74	85	88
10,000	16	20	23	28	33	40	52	64	74	85	88
15,000	15	18	21	25	29	36	47	57	66	77	82
20,000	14	17	19	24	28	34	44	53	61	71	76
25,000	13	16	18	22	26	32	41	50	57	65	71
30,000	12	15	17	21	25	29	36	44	51	59	65
40,000	11	14	16	19	22	25	30	36	42	51	57
50,000	10	13	15	18	21	24	27	32	37	46	53
60,000	10	12	14	17	20	23	26	30	34	43	49
75,000	9	11	12	15	18	22	24	26	30	39	45
100,000	8	9	11	13	15	19	24	24	25	32	39
125,000	7	8	10	12	14	17	22	24	24	28	34
150,000	6	8	9	11	13	15	20	24	24	25	30
200,000	5	7	8	9	11	13	17	21	24	24	25
250,000	5	6	7	8	10	12	15	19	22	24	24
300,000	4	5	6	8	9	11	14	17	20	24	24
400,000	4	4	5	6	7	9	11	14	16	20	23
500,000	3	4	4	5	6	7	9	12	13	16	19
600,000	3	3	3	4	5	6	7	9	10	12	15
700,000	2	2	2	3	3	4	5	6	7	8	10
800,000	2	2	2	2	3	3	4	5	5	6	8
900,000	0	0	0	0	0	0	0	0	0	0	0
1,000,000	0	0	0	0	0	0	0	0	0	0	0

Employee Years

Deductible	3,000	5,000	7,500	10,000	15,000	20,000	25,000	30,000	40,000	50,000	75,000
5,000	100	100	100	100	100	100	100	100	100	100	100
10,000	100	100	100	100	100	100	100	100	100	100	100
15,000	99	100	100	100	100	100	100	100	100	100	100
20,000	92	100	100	100	100	100	100	100	100	100	100
25,000	86	100	100	100	100	100	100	100	100	100	100
30,000	80	100	100	100	100	100	100	100	100	100	100
40,000	71	96	100	100	100	100	100	100	100	100	100
50,000	65	89	100	100	100	100	100	100	100	100	100
60,000	60	82	100	100	100	100	100	100	100	100	100
75,000	54	73	93	100	100	100	100	100	100	100	100
100,000	48	61	78	92	100	100	100	100	100	100	100
125,000	43	54	68	81	100	100	100	100	100	100	100
150,000	39	51	62	74	94	100	100	100	100	100	100
200,000	33	44	53	62	79	94	100	100	100	100	100
250,000	28	39	48	54	69	82	93	100	100	100	100
300,000	24	35	44	50	62	73	84	94	100	100	100
400,000	24	26	35	41	50	57	65	73	86	89	89
500,000	23	24	27	33	42	48	53	58	69	71	72
600,000	18	18	22	27	34	39	43	47	55	57	59
700,000	12	12	17	20	25	29	32	35	41	43	45
800,000	9	9	14	17	21	24	26	29	34	35	38
900,000	0	0	6	7	8	9	11	12	13	15	18
1,000,000	0	0	5	6	7	8	9	10	12	13	16

ADDITIONAL RULE

RULE 3- CREDIBILITY AND EXPERIENCE RATING (Continued)

Specific Credibility Table**Employee Years**

Deductible	100,000	125,000	150,000	200,000	300,000	400,000	500,000	750,000
5,000	100	100	100	100	100	100	100	100
10,000	100	100	100	100	100	100	100	100
15,000	100	100	100	100	100	100	100	100
20,000	100	100	100	100	100	100	100	100
25,000	100	100	100	100	100	100	100	100
30,000	100	100	100	100	100	100	100	100
40,000	100	100	100	100	100	100	100	100
50,000	100	100	100	100	100	100	100	100
60,000	100	100	100	100	100	100	100	100
75,000	100	100	100	100	100	100	100	100
100,000	100	100	100	100	100	100	100	100
125,000	100	100	100	100	100	100	100	100
150,000	100	100	100	100	100	100	100	100
200,000	100	100	100	100	100	100	100	100
250,000	100	100	100	100	100	100	100	100
300,000	100	100	100	100	100	100	100	100
400,000	89	90	90	91	92	94	100	100
500,000	73	74	75	77	80	84	99	100
600,000	60	62	63	66	70	74	86	90
700,000	47	49	51	54	59	63	73	79
800,000	39	42	43	46	51	56	64	70
900,000	21	24	26	30	37	42	47	58
1,000,000	18	21	23	26	32	37	41	50

Employee Years

Deductible	1,000,000	1,250,000	1,500,000	2,000,000
5,000	100	100	100	100
10,000	100	100	100	100
15,000	100	100	100	100
20,000	100	100	100	100
25,000	100	100	100	100
30,000	100	100	100	100
40,000	100	100	100	100
50,000	100	100	100	100
60,000	100	100	100	100
75,000	100	100	100	100
100,000	100	100	100	100
125,000	100	100	100	100
150,000	100	100	100	100
200,000	100	100	100	100
250,000	100	100	100	100
300,000	100	100	100	100
400,000	100	100	100	100
500,000	100	100	100	100
600,000	92	94	96	99
700,000	84	88	91	98
800,000	75	80	84	91
900,000	67	75	82	95
1,000,000	58	65	71	82

ADDITIONAL RULES

RULE 4 – INDUSTRY CLASSIFICATIONS

This rule replaces the Industry Classifications section appearing in our current approved Towers Watson Specific Stop Loss Manual.

INDUSTRY CLASSIFICATIONS**Industry Factors by SIC Range**

SIC Range	Description	Stop Loss Factor
No adjustment		1.000
0111-0191	Agriculture – Crops, Plants, Vines & Trees	1.050
0211-0291	Agriculture – Livestock	1.050
0711-0724 0750-0783	Agriculture – Services	1.025 65
0740- 0742	Agriculture – Services (Veterinary)	1.000
0811-0851	Agriculture – Forestry	1.050
0910-0972	Agriculture – Fishing & Hunting	1.100
1011-1241	Mining – Metals & Coal	1.175
1311-1389	Mining – Petroleum	1.100
1411-1499	Mining & Quarrying except Metals & Fuel	1.150
1520-1629	Construction – General	1.050 85
1710-1799	Construction – Special Trades	1.025 45
2010-2017	Manufacturing – Meat Processing	1.050
2018-2099	Manufacturing – Food & Beverages	1.000
2111-2141	Manufacturing – Tobacco	1.050
2211-2299	Manufacturing – Textiles	1.000
2311-2399	Manufacturing – Apparel	1.000
2411	Manufacturing – Logging	1.075

EXCEPTION PAGE

STOP LOSS MANUAL

COUNTRYWIDE

SIC Range	Description	Stop Loss Factor
2421-2429	Manufacturing – Sawmills	1.050
2431-2499	Manufacturing – Wood	1.050
2511-2599	Manufacturing – Furniture	1.000
2611	Manufacturing – Pulp	1.025
2612-2679	Manufacturing – Paper	1.000
2711-2796	Manufacturing – Printing & Publishing	1.000 <u>960</u>
2812-2824 2841-2891 2893-2899	Manufacturing – Chemicals	1.025 <u>75</u>
2830-2836	Manufacturing – Pharmaceuticals	1.000
2892	Manufacturing – Explosives	1.125
2910-2999	Manufacturing – Petroleum & Coal products	1.025
3011-3089	Manufacturing – Rubber & Plastics	1.000 <u>965</u>
3111	Manufacturing – Leather Tanning	1.100
3112-3199	Manufacturing – Leather	1.025
3211-3291 3295-3299	Manufacturing – Stone, Clay & Glass	1.025
3292	Manufacturing – Asbestos	1.175
3312-3399	Manufacturing – Metals & Steel	1.050 <u>85</u>
3411-3499	Manufacturing – Fabricated Metal Products	1.000 <u>15</u>
3511-3599	Manufacturing – Machinery	1.000 <u>40</u>
3612-3699	Manufacturing – Electrical & Equipment	0.975
3710-3799	Manufacturing – Transportation	1.000
3812-3873	Manufacturing – Instruments	0.975 <u>95</u>
3911-3999	Manufacturing – Miscellaneous	0.975 <u>90</u>
4010-4013	Transportation – Rail	1.050
4110-4119 4131-4173	Transportation – Commuter	1.100

SIC Range	Description	Stop Loss Factor
4120-4121	Transportation – Taxi	1.150
4210-4215 4231	Transportation – Trucking	1.400 <u>080</u>
4220-4226	Transportation – Warehousing & Storage	1.100 <u>50</u>
4310-4311	Transportation – Government Postal	1.050
4412-4499	Transportation – Water	1.075
4510-4581	Transportation – Air	1.000
4612-4619	Transportation – Pipelines	1.025
4724-4789	Transportation – Services	0.975
4812-4899	Communication Services	0.950
4910-4941 4961-4971	Electric, Gas & Water	1.025 <u>55</u>
4950-4959	Sanitary Services	1.100
5012-5092 5094-5099	Trade – Wholesale (Durable Goods)	1.000 <u>25</u>
5093	Trade - Wholesale (Scrap & Waste)	1.400 <u>060</u>
5111-5172 5190-5199	Trade - Wholesale (Non-Durable Goods)	1.000 <u>35</u>
5181-5182	Trade - Wholesale (Alcohol)	1.050
5211-5399 5611-5736 5912 5932-5999	Trade – Retail	1.000 <u>15</u>
5410-5499	Trade - Retail (Food)	1.000 <u>990</u>
5511-5531 5561-5599	Trade - Retail (Automotive)	1.075 <u>45</u>
5540-5541	Trade - Retail (Gasoline)	1.100
5810-5812	Trade - Retail (Restaurants)	1.100 <u>50</u>
5813	Trade - Retail (Restaurants/Alcohol)	1.150
5921	Trade - Retail (Liquor Stores)	1.100

EXCEPTION PAGE

STOP LOSS MANUAL

COUNTRYWIDE

SIC Range	Description	Stop Loss Factor
6011-6163	Finance - Banks & Credit	0.950 950 <u>935</u>
6210-6289 6712-6799	Finance – Investors	0.975 975 <u>1.025</u>
6311-6411	Finance – Insurance	1.000
6512-6553	Finance - Real Estate	1.000 975 <u>975</u>
7010-7041	Lodging	1.075 75 <u>30</u>
7211-7299	Services – Personal	1.050
7311-7340 7352-7363 7380 7382-7389 7622-7699	Services – Business	1.000 975 <u>20</u>
7342-7349	Services – Cleaning	1.050
7371-7379	Services – Computer	0.950
7381	Services - Security	1.075
7513-7519	Services - Automotive (Rental)	1.000 975 <u>25</u>
7521-7549	Services – Automotive	1.050
7812-7841	Services - Motion Picture	1.025
7911-7990 7992-7999	Services - Amusement & Recreation	1.100
7991	Services – Physical Fitness Facility	1.075
8010-8049 8071-8072 8090-8099	Services – Health	1.125 975 <u>075</u>
8050-8059	Services - Nursing Homes	1.125 975 <u>075</u>
8060-8069	Services – Hospitals	1.175 975 <u>125</u>
8080-8082	Services - In Home Nursing	1.125
8110-8111	Services – Legal	1.075
8210-8211 8231-8299	Services – Education	1.000 975 <u>015</u>

SIC Range	Description	Stop Loss Factor
8220-8222	Services – Education (Colleges & Universities)	1.000 <u>980</u>
8322-8399	Services – Social	1.050 <u>40</u>
8412-8422	Museum, Gardens & Zoos	1.000
8610-8651 8690-8699	Organizations – Membership	1.050 <u>005</u>
8660-8661	Organizations – Religious	1.050 <u>000</u>
8710-8748	Services - Business Consulting	0.950 <u>5</u>
8811-8999	Services – Miscellaneous	1.000 <u>50</u>
9111-9199	General Government	1.075 <u>105</u>
9200-9229	Public Administration	1.150
9300-9721	Other Government	1.100

Rating factors by Industry Classification are used to adjust specific rates only when the retention is less than \$100,000. For retentions greater than or equal to \$100,000, all industries will receive a rating factor of 1.000.

Rating factors by Industry Classification will not be applied in the calculation of the pooling charge. The pooling charge is specified in Additional Rule 3, Step 1, Item #8.

ADDITIONAL RULES**RULE 5 – AGGREGATING SPECIFIC DEDUCTIBLE SPLIT FUND OPTION**

This rule is added to the Aggregating Specific Stop Loss section of the ~~Aggregate~~ Specific Stop Loss Manual.

1. To be eligible for the split fund option, the aggregating specific deductible must be less than or equal to 40% of the premium before application of the deductible and the group size must be greater than or equal to 400 employees.
2. For groups greater than or equal to 400 and less than 1,250 employees, with a retention less than \$300,000, the premium may be reduced by the amount of the aggregating specific deductible.
3. If the group size is greater than or equal to 1,250 employees, the premium may be reduced by the amount of the aggregating specific deductible.
4. An aggregating specific deductible option may NOT be written on an account that has an experience refund.

State:	District of Columbia	Filing Company:	Westport Insurance Corporation
TOI/Sub-TOI:	H12 Health - Excess/Stop Loss/H12.004 Self-Funded Health Plan		
Product Name:	Employer Excess Stop Loss		
Project Name/Number:	Rule Revision for Employer Excess Stop Loss /13-08414		

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
04/16/2013		Rate	Additional Rules Rule 1-Experience Refund	04/24/2013	WIC-ESL-CW-E1 07-01-2013.pdf (Superceded)
04/16/2013		Rate	Additional Rules Rule 4-Industry Classifications	04/30/2013	WIC-ESL-CW-E4 07-01-2013.pdf (Superceded)

ADDITIONAL RULES

RULE 1 –EXPERIENCE REFUND

For employers with a premium of \$500,000 or more, an experience refund option may be offered. The terms and calculation of the refund will be spelled out in the Experience Refund document, SP 5 459 0212, that will be mutually agreed upon and signed by both the insured and the insurance company.

ADDITIONAL RULES

RULE 4 – INDUSTRY CLASSIFICATIONS

This rule replaces the Industry Classifications section appearing in our current approved Towers Watson Specific Stop Loss Manual.

INDUSTRY CLASSIFICATIONS**Industry Factors by SIC Range**

SIC Range	Description	Stop Loss Factor
No adjustment		1.000
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0711-0724 0750-0783	Agriculture – Services	1.065
0740- 0742	Agriculture – Services (Veterinary)	1.000
0811-0851	Agriculture – Forestry	1.050
0910-0972	Agriculture – Fishing & Hunting	1.100
1011-1241	Mining – Metals & Coal	1.175
1311-1389	Mining – Petroleum	1.100
1411-1499	Mining & Quarrying except Metals & Fuel	1.150
1520-1629	Construction – General	1.085
1710-1799	Construction – Special Trades	1.045
2010-2017	Manufacturing – Meat Processing	1.050
2018-2099	Manufacturing – Food & Beverages	1.000
2111-2141	Manufacturing – Tobacco	1.050
2211-2299	Manufacturing – Textiles	1.000
2311-2399	Manufacturing – Apparel	1.000
2411	Manufacturing – Logging	1.075

SIC Range	Description	Stop Loss Factor
2421-2429	Manufacturing – Sawmills	1.050
2431-2499	Manufacturing – Wood	1.050
2511-2599	Manufacturing – Furniture	1.000
2611	Manufacturing – Pulp	1.025
2612-2679	Manufacturing – Paper	1.000
2711-2796	Manufacturing – Printing & Publishing	0.960
2812-2824 2841-2891 2893-2899	Manufacturing – Chemicals	1.075
2830-2836	Manufacturing – Pharmaceuticals	1.000
2892	Manufacturing – Explosives	1.125
2910-2999	Manufacturing – Petroleum & Coal products	1.025
3011-3089	Manufacturing – Rubber & Plastics	0.965
3111	Manufacturing – Leather Tanning	1.100
3112-3199	Manufacturing – Leather	1.025
3211-3291 3295-3299	Manufacturing – Stone, Clay & Glass	1.025
3292	Manufacturing – Asbestos	1.175
3312-3399	Manufacturing – Metals & Steel	1.085
3411-3499	Manufacturing – Fabricated Metal Products	1.015
3511-3599	Manufacturing – Machinery	1.040
3612-3699	Manufacturing – Electrical & Equipment	0.975
3710-3799	Manufacturing – Transportation	1.000
3812-3873	Manufacturing – Instruments	0.995
3911-3999	Manufacturing – Miscellaneous	0.990
4010-4013	Transportation – Rail	1.050
4110-4119 4131-4173	Transportation – Commuter	1.100

SIC Range	Description	Stop Loss Factor
4120-4121	Transportation – Taxi	1.150
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4310-4311	Transportation – Government Postal	1.050
4412-4499	Transportation – Water	1.075
4510-4581	Transportation – Air	1.000
4612-4619	Transportation – Pipelines	1.025
4724-4789	Transportation – Services	0.975
4812-4899	Communication Services	0.950
4910-4941 4961-4971	Electric, Gas & Water	1.055
4950-4959	Sanitary Services	1.100
5012-5092 5094-5099	Trade – Wholesale (Durable Goods)	1.025
5093	Trade - Wholesale (Scrap & Waste)	1.060
5111-5172 5190-5199	Trade - Wholesale (Non-Durable Goods)	1.035
5181-5182	Trade - Wholesale (Alcohol)	1.050
5211-5399 5611-5736 5912 5932-5999	Trade – Retail	1.015
5410-5499	Trade - Retail (Food)	1.990
5511-5531 5561-5599	Trade - Retail (Automotive)	1.045
5540-5541	Trade - Retail (Gasoline)	1.100
5810-5812	Trade - Retail (Restaurants)	1.150
5813	Trade - Retail (Restaurants/Alcohol)	1.150
5921	Trade - Retail (Liquor Stores)	1.100

SIC Range	Description	Stop Loss Factor
6011-6163	Finance - Banks & Credit	0.935
6210-6289 6712-6799	Finance – Investors	1.025
6311-6411	Finance – Insurance	1.000
6512-6553	Finance - Real Estate	0.975
7010-7041	Lodging	1.030
7211-7299	Services – Personal	1.050
7311-7340 7352-7363 7380 7382-7389 7622-7699	Services – Business	1.020
7342-7349	Services – Cleaning	1.050
7371-7379	Services – Computer	0.950
7381	Services - Security	1.075
7513-7519	Services - Automotive (Rental)	1.025
7521-7549	Services – Automotive	1.050
7812-7841	Services - Motion Picture	1.025
7911-7990 7992-7999	Services - Amusement & Recreation	1.100
7991	Services – Physical Fitness Facility	1.075
8010-8049 8071-8072 8090-8099	Services – Health	1.075
8050-8059	Services - Nursing Homes	1.075
8060-8069	Services – Hospitals	1.125
8080-8082	Services - In Home Nursing	1.125
8110-8111	Services – Legal	1.075
8210-8211 8231-8299	Services – Education	1.015

SIC Range	Description	Stop Loss Factor
8220-8222	Services – Education (Colleges & Universities)	0.980
8322-8399	Services – Social	1.040
8412-8422	Museum, Gardens & Zoos	1.000
8610-8651 8690-8699	Organizations – Membership	1.005
8660-8661	Organizations – Religious	1.000
8710-8748	Services - Business Consulting	0.955
8811-8999	Services – Miscellaneous	1.050
9111-9199	General Government	1.105
9200-9229	Public Administration	1.150
9300-9721	Other Government	1.100

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